54 pp.

MT LEGISLATIVE HISTORY

Chapter 512 1991

Bill H _____ S 164 Original bill & hist. ✓C

H. Committee on Highways & Transportation		S. Committee on Highways & Transportation	
Hearing Date(s) Mar 18	✓C	Hearing Date(s) Jan 29	✓C
Mar 20	✓C	Jan 31	✓C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out Mar 21	✓C	Jan 31	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

2/01	COMMITTEE REPORT—BILL PASSED		
2/01	PLACED ON CONSENT CALENDAR		
2/05	3RD READING PASSED	49	0
	TRANSMITTED TO HOUSE		
2/06	FIRST READING		
2/06	REFERRED TO LOCAL GOVERNMENT		
3/07	HEARING		
3/08	COMMITTEE REPORT—BILL CONCURRED		
3/08	PLACED ON CONSENT CALENDAR		
3/11	3RD READING CONCURRED	93	6
	RETURNED TO SENATE		
3/15	SIGNED BY PRESIDENT		
3/16	SIGNED BY SPEAKER		
3/16	TRANSMITTED TO GOVERNOR		
3/21	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 137	EFFECTIVE DATE: 10/01/91	

SB 163 INTRODUCED BY HARP, ET AL.

PROVIDE THAT A RETAILER WHO CANCELS A RECREATIONAL VEHICLE DEALERSHIP CONTRACT IS NOT ENTITLED TO HAVE RETAILER'S RV INVENTORY REPURCHASED

1/21	INTRODUCED		
1/22	REFERRED TO BUSINESS & INDUSTRY		
1/22	FIRST READING		
2/01	HEARING		
2/04	COMMITTEE REPORT—BILL NOT PASSED		
2/04	ADVERSE COMMITTEE REPORT ADOPTED	45	4

SB 164 INTRODUCED BY HARP, ET AL.

CREATE DEPARTMENT OF TRANSPORTATION

BY REQUEST OF GOVERNOR

1/21	INTRODUCED		
1/22	REFERRED TO HIGHWAYS & TRANSPORTATION		
1/22	FIRST READING		
1/22	FISCAL NOTE REQUESTED		
1/28	FISCAL NOTE RECEIVED		
1/28	FISCAL NOTE PRINTED		
1/29	HEARING		
2/02	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/04	2ND READING PASSED	40	8
2/05	3RD READING PASSED	45	4
	TRANSMITTED TO HOUSE		
2/06	FIRST READING		
2/06	REFERRED TO HIGHWAYS & TRANSPORTATION		
3/18	HEARING		
3/21	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/05	2ND READING CONCURRED	91	7
4/06	3RD READING CONCURRED	82	13
	RETURNED TO SENATE WITH AMENDMENTS		
4/09	2ND READING AMENDMENTS CONCURRED	45	0
4/10	3RD READING AMENDMENTS CONCURRED	50	0
4/13	SIGNED BY PRESIDENT		
4/15	SIGNED BY SPEAKER		
4/15	TRANSMITTED TO GOVERNOR		
4/20	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 512	EFFECTIVE DATE: 7/01/91	

SB 165 INTRODUCED BY HARP

INCREASE MAXIMUM ASSESSMENT IN FOREST LAND FIRE PROTECTION DISTRICTS

BY REQUEST OF DEPARTMENT OF STATE LANDS

Senate BILL NO. 164

INTRODUCED BY Harp Stang Lubeck Vice

BY REQUEST OF THE GOVERNOR

A BILL FOR AN ACT ENTITLED: "AN ACT TO CREATE A DEPARTMENT OF TRANSPORTATION; TO ABOLISH THE DEPARTMENT OF HIGHWAYS AND TRANSFER ITS FUNCTIONS AND CERTAIN FUNCTIONS OF THE DEPARTMENT OF COMMERCE AND THE DEPARTMENT OF REVENUE TO THE DEPARTMENT OF TRANSPORTATION; TO GENERALLY REVISE THE LAWS TO CONFORM TO THE ABOLISHMENT OF THE DEPARTMENT OF HIGHWAYS AND TRANSFER OF FUNCTIONS TO THE DEPARTMENT OF TRANSPORTATION; AMENDING SECTIONS 2-15-104, 2-15-1812, 2-15-2501, 2-15-2502, 15-1-701, AND 60-3-201, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1.** Purpose. (1) The legislature intends, through the creation of a department of transportation within the executive branch of state government, to:

(a) provide the means to plan for the present and future transportation needs of the citizens of Montana;

(b) to assure that transportation remains a viable element in the private sector of the economy; and

(c) to provide energy-efficient and ecologically compatible transportation services with optimum efficiency, effectiveness, and economy.

(2) It is the policy of the state of Montana that adequate, safe, and efficient transportation facilities and services of all modes are essential to the economic growth of the state and the well-being of its people and that the planning and development of those facilities and services be coordinated by a department of transportation that has overall responsibility for balanced transportation policy and planning.

Section 2. Section 2-15-104, MCA, is amended to read:

"**2-15-104. Structure of executive branch.** (1) In accordance with the constitution, all executive and administrative offices, boards, commissions, agencies, and instrumentalities of the executive branch of state government and their respective functions are allocated by this chapter among and within the following departments or entities:

(a) department of administration;

(b) department of military affairs;

(c) department of revenue;

(d) state board of education;

(e) department of labor and industry;

(f) department of commerce;

(g) department of justice;

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(h) department of health and environmental sciences;

(i) department of social and rehabilitation services;

(j) department of institutions;

(k) department of ~~highways~~ transportation;

(l) department of public service regulation;

(m) department of agriculture;

(n) department of livestock;

(o) department of state lands;

(p) department of natural resources and conservation;

(q) department of fish, wildlife, and parks;

(r) department of family services.

(2) For its internal structure, each department shall adhere to the following standard terms:

(a) The principal unit of a department is a division. Each division ~~shall be~~ is headed by an administrator.

(b) The principal unit of a division is a bureau. Each bureau ~~shall be~~ is headed by a chief.

(c) The principal unit of a bureau is a section. Each section ~~shall be~~ is headed by a supervisor."

NEW SECTION. **Section 3.** Department of highways abolished -- functions transferred to department of transportation. The department of highways is abolished, and its functions are transferred to the department of transportation. Unless inconsistent with [sections 1 through 14], any reference in the Montana Code Annotated, including

acts passed by the 52nd legislature, to the "department of highways", "department" (of highways), or "director" (of highways) is changed to the "department of transportation", "department" (of transportation), or "director" (of transportation).

Section 4. Section 2-15-2501, MCA, is amended to read:

"2-15-2501. Department of ~~highways~~ transportation -- head. There is a department of ~~highways~~ transportation. The department head is ~~a~~ the director of ~~highways~~ transportation appointed by the governor in accordance with 2-15-111. The department may have as many divisions as are necessary, but it must have divisions of:

(1) highways;

(2) aeronautics;

(3) administration; and

(4) public transportation."

Section 5. Section 2-15-2502, MCA, is amended to read:

"2-15-2502. Highway commission. (1) The highway commission consists of five members. One member ~~shall~~ must be a ~~bona fide~~ resident of and appointed from each of these districts, each composed of the counties named:

(a) District 1. Lincoln, Flathead, Sanders, Lake, Mineral, Missoula, Ravalli, Granite, Powell;

(b) District 2. Deer Lodge, Silver Bow, Beaverhead, Madison, Gallatin, Meagher, Broadwater, Jefferson, Park;

(c) District 3. Glacier, Toole, Liberty, Hill, Blaine, Pondera, Teton, Chouteau, Cascade, Lewis and Clark;

(d) District 4. Carter, Powder River, Fallon, Custer, Rosebud, Garfield, Phillips, Valley, McCone, Prairie, Dawson, Wibaux, Richland, Roosevelt, Daniels, Sheridan;

(e) District 5. Golden Valley, Stillwater, Carbon, Big Horn, Yellowstone, Musselshell, Judith Basin, Fergus, Petroleum, Treasure, Wheatland, Sweet Grass.

(2) ~~No two~~ Two members may not be residents of the same district at the time of appointment or thereafter during their respective terms of office ~~be residents of the same district~~.

(3) Not more than three members may at the time of appointment or ~~thereafter~~ during their respective terms be members of the same political party.

(4) ~~No~~ An elective state official or state officer during the term of office to which he was elected or appointed ~~and no~~ or a state employee may not be a member of the commission.

(5) ~~No~~ A resolution, motion, or other decision of the commission may not be adopted or passed without the favorable vote of at least three members.

(6) The commission is allocated to the department of transportation for administrative purposes only as prescribed in 2-15-121.

(7) The commission is designated as a quasi-judicial board for purposes of 2-15-124; however, the provision of 2-15-124(1) that at least one member of a quasi-judicial board be an attorney does not apply to the commission.

(8) The administrator of the highway division shall act as liaison between the highway commission and the department of transportation."

NEW SECTION. **Section 6.** **Transportation functions of department of commerce transferred.** (1) The following functions of the department of commerce are transferred to the department of transportation:

(a) developing, encouraging, regulating, and licensing aeronautics in Title 67;

(b) allocating funds for public transportation under 7-14-102; and

(c) rail planning activities in Title 60, chapter 11.

(2) Unless inconsistent with [sections 1 through 14], any reference to the department of commerce in 7-14-102; Title 60, chapter 11; and Title 67 is changed to department of transportation.

Section 7. Section 2-15-1812, MCA, is amended to read:

"**2-15-1812. Board of aeronautics -- qualification -- allocation -- quasi-judicial.** (1) There is a board of aeronautics.

(2) The board consists of nine members. The members

are:

(a) one member of the Montana pilots' association;

(b) one member of the Montana chamber of commerce;

(c) one representative of the Montana airport management association;

(d) one member of the Montana county commissioners association;

(e) one person actively engaged in aviation education in this state;

(f) one person representative of interstate commercial airline operators, who must at the time of appointment be an employee or official of an interstate commercial airline operator and a resident of this state;

(g) one member of the Montana league of cities and towns;

(h) one person representing the general public; and

(i) one person who must at the time of appointment be an active fixed base operator in this state, or an official of a fixed base operator in this state, of flying services or flying schools.

(3) The board is allocated to the department of transportation for administrative purposes only as prescribed in 2-15-121.

(4) The board is designated as a quasi-judicial board for purposes of 2-15-124.

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(5) The administrator of the aeronautics division shall act as liaison between the board and the department of transportation."

NEW SECTION. **Section 8.** **Department of revenue -- motor fuels tax functions transferred.** Unless inconsistent with [sections 1 through 14], any reference to the department of revenue in Title 15, chapter 70, is changed to the department of transportation.

NEW SECTION. **Section 9.** **Department of transportation to issue warrants for distraint.** The department of transportation is authorized to issue warrants for distraint as provided in Title 15, chapter 1, part 7, to collect motor fuels taxes and to enforce the provisions of this part.

Section 10. Section 60-3-201, MCA, is amended to read:

"60-3-201. Distribution and use of proceeds of gasoline dealers' license tax. (1) All money received in payment of license taxes under the Distributor's Gasoline License Tax Act, except those amounts paid out of the department of ~~revenue's~~ transportation's suspense account for gasoline tax refund, ~~shall~~ must be used and expended as provided in this section. ~~So much~~ The portion of that money on hand at any time ~~as~~ that may be needed to pay highway bonds and interest ~~thereon~~ on highway bonds when due and to accumulate and maintain a reserve ~~therefor~~ for payment of highway bonds and interest, as provided in laws and in resolutions of the

state board of examiners authorizing ~~such~~ the bonds, ~~shall~~ must be deposited in the highway bond account in the debt service fund established by 17-2-102. Subject to that provision, 9/10 of 1% of all money ~~shall~~ must be deposited in the state park account, 1/2 of 1% of all money ~~shall~~ must be deposited in a snowmobile account in the state special revenue fund, and 1/25 of 1% of all money ~~shall~~ must be deposited in the aeronautics revenue fund of the department of ~~commerce~~ transportation under the provisions of 67-1-301. The remainder of the money ~~shall~~ must be used by the department of ~~highways~~ transportation on the federal-aid highways in this state selected and designated under Title 23, U.S.C., and on highways leading from each county seat in the state to the federal highway system of federal-aid roads where the county seat is not on the system and on the other roads ~~which~~ that have been or may be authorized by the laws of Montana and for collection of the license taxes and the enforcement of the Montana highway code under Article VIII, section 6, of the constitution of this state.

(2) The department shall, in expending this money, carry forward construction from year to year, using the money expended through the matching up of federal-aid allotments to Montana upon the federal highway system in the various parts of the state in accordance with 60-3-204 through 60-3-206. Nothing in this title conflicts with Title

23, U.S.C., and the rules by which it is administered.

(3) The department may enter into cooperative agreements with the national park service and the federal highway administration for the purpose of maintaining national park approach roads in Montana.

(4) Money credited to the state park account in the state special revenue fund ~~shall~~ must be used only for the creation, improvement, and maintenance of state parks where motorboating is allowed, except for the payment of refunds under 15-70-221 through 15-70-226. The legislature finds that of all the fuel sold in the state for consumption in internal combustion engines, not less than 9/10 of 1% is used for propelling boats on waterways of this state.

(5) Money credited to the snowmobile account may be used only to develop and maintain facilities open to the general public at no admission cost and to promote snowmobile safety. ~~For the 2 years following July 1, 1977, 15% of the amount deposited in the snowmobile account each year shall be used to promote snowmobile safety. Thereafter, 10%~~ Ten percent of the amount deposited in the snowmobile account ~~shall~~ must be used to promote snowmobile safety. The legislature finds that of all fuels sold in this state for consumption in internal combustion engines, not less than 1/2 of 1% is used for propelling snowmobiles on public lands of this state.

(6) Money credited to the aeronautics account of the department of ~~commerce--shall~~ transportation must be used only to develop, improve, and maintain facilities open to the public at no admission cost and to promote aviation safety. The legislature finds that of all the fuel sold in this state for consumption in internal combustion engines, not less than 1/25 of 1% is used for propelling aircraft in this state."

Section 11. Section 15-1-701, MCA, is amended to read:

"15-1-701. Warrant for distraint. (1) A warrant for distraint is an order, under the official seal of the department of revenue or of the department of transportation, directed to a sheriff of ~~any~~ a county of Montana or to ~~any~~ an agent authorized by law to collect a tax. The order commands the recipient to levy upon and sell the real and personal property of a delinquent taxpayer.

(2) Upon filing the warrant as provided in 15-1-704, there is a lien against all real and personal property of the delinquent taxpayer located in the county where the warrant is filed. The resulting lien is treated in the same manner as a properly docketed judgment lien, and the department may collect delinquent taxes and enforce the tax lien in the same manner as a judgment is enforced.

(3) A warrant may be issued for the amount of unpaid tax plus penalty, if any, and accumulated interest. The lien

is for the amount indicated on the warrant plus accrued interest from the date of the warrant."

NEW SECTION. **Section 12.** Transfer of rulemaking authority. Any existing authority of the department of highways, the department of commerce, or the department of revenue to make rules on the various functions transferred by the provisions of [sections 1 through 14] is extended to the provisions of [sections 1 through 14].

NEW SECTION. **Section 13.** Application of transfer provisions. The provisions of 2-15-131 through 2-15-137 govern:

(1) the merger into the department of transportation the functions of the department of highways and those functions of the departments of commerce and revenue specified in [sections 1 through 14]; and

(2) the transfer of the various functions contained in [sections 1 through 14].

NEW SECTION. **Section 14.** Governor to implement. The governor shall implement the provisions of [sections 1 through 14] by executive order.

NEW SECTION. **Section 15.** Coordination instruction. The code commissioner is instructed to revise any bill passed by the 52nd legislature by changing to the department of transportation any reference to:

(1) the department of highways;

(2) the department of revenue in Title 15, chapter 70, or in regard to administration of the motor fuels tax laws; or

(3) the department of commerce in regard to aeronautics in Title 67, allocating funds for public transportation in 7-14-102, or rail planning activities in Title 60, chapter 11.

NEW SECTION. **Section 16.** Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. **Section 17.** Codification instruction. (1) [Section 1] is intended to be codified as an integral part of Title 2, chapter 15, part 25, and the provisions of Title 2, chapter 15, part 25, apply to [section 1].

(2) [Section 9] is intended to be codified as an integral part of Title 15, chapter 70, part 2, and the provisions of Title 15, chapter 70, part 2, apply to [section 9].

(3) Section 2-15-1812 is intended to be renumbered and codified as an integral part of Title 2, chapter 15, part 25.

NEW SECTION. **Section 18.** Effective date. [This act] is

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effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0164, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to create a Department of Transportation; to abolish the Department of Highways and transfer its functions and certain functions of the Department of Commerce and the Department of Revenue to the Department of Transportation; to generally revise the laws to conform to the abolishment of the Department of Highways and transfer of functions to the Department of Transportation; and providing an effective date.

ASSUMPTIONS:

Department of Commerce:

1. Administrative overhead expenses for the Aeronautics Division and the Transportation Division will be appropriated as recommended in the executive budget to defray the cost of computer systems transfer and moving expenses.
2. Administrative overhead expenses are discontinued in FY93 for an annual savings of approximatley $87,800.
3. The Aeronautics Division will reduce 1.00 FTE and the Transporation Division will reduce 1.50 FTE as a result of managment efficiencies acheived through reorganization.

Department of Revenue:

4. The department would need 3.00 FTE auditors to comply with new federal requirements if it retained the Motor Fuel Tax Division (MFTD). As a result of the consolidation of this function in DOT, the workload will be shared in the new DOT and only 1.00 FTE auditor will be necessary.
5. The department will reduce 1.00 FTE for administrative functions which will not be necessary after reorganization.
6. The FY92 executive budget recommendation of $11,452 for building rent will be used for moving costs of approximately $6,600 and for a portion of the $74,600 cost to transfer the computer system. The appropriation for building rent will be discontinued in FY93 for a savings of approximately $11,452 per year.
7. The reorganization will result in a $85,988 reduction in admistrative overhead funds to the DOR Directors Office. The Director's Office provided approximately $37,000 per year in services to MFTD. The executive budget recommends the difference of $48,300 be funded with general fund and federal revenue.
8. The transfer of MFTD from the Department of Revenue to the Department of Transportation will result in net savings of $105,087 in FY92 and $116,508 in FY93 and future years.

Department of Highways:

9. The Department of Highways budget modification for a 1.00 FTE computer programmer for the new department and $75,000 for one-time FY92 reorganization expenses will be approved.

Department of Transportation:

10. Net savings of $71,459 in FY92 and $233,609 in FY93 includes personnel reductions of 4.50 FTE each year of the 1993 biennium.
11. Current law is represented by the executive budget recommendations for the affected programs in the Department of Revenue, Department of Commerce and Department of Highways.

FISCAL IMPACT:

see next page

Rod Sundsted 1-28-91

ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

John G. Harp 1/28/91

JOHN G. HARP, PRIMARY SPONSOR DATE

FISCAL IMPACT:

Aeronautics Division:	FY 92			FY 93		
Expenditures:	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
FTE	11.99	0.00	(11.99)	11.99	0.00	(11.99)
Personal Services	378,294	0	(378,294)	379,307	0	(379,307)
Operating Costs	370,179	0	(370,179)	354,576	0	(354,576)
Equipment	22,000	0	(22,000)	18,000	0	(18,000)
Local Assistance	253,000	0	(253,000)	253,000	0	(253,000)
Transfers	10,000	0	(10,000)	10,000	0	(10,000)
Total	1,033,473	0	(1,033,473)	1,014,883	0	(1,014,883)
Funding:						
State Special	876,344	0	(876,344)	875,078	0	(875,078)
Federal Special	75,000	0	(75,000)	75,000	0	(75,000)
Proprietary Fund	82,129	0	(82,129)	64,805	0	(64,805)
Total	1,033,473	0	(1,033,473)	1,014,883	0	(1,014,883)

Transportation Div.:	FY 92			FY 93		
Expenditures:	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
FTE	14.50	0.00	(14.50)	14.50	0.00	(14.50)
Personal Services	504,275	0	(504,275)	503,474	0	(503,474)
Operating Costs	388,268	0	(388,268)	206,806	0	(206,806)
Equipment	354	0	(354)	500	0	(500)
Local Assistance	3,004,684	0	(3,004,684)	704,684	0	(704,684)
Total	3,897,581	0	(3,897,581)	1,415,464	0	1,415,464
Funding:						
General Fund	640,823	0	(640,823)	460,728	0	(460,728)
State Special	1,871,250	0	(1,871,250)	883,486	0	(883,486)
Federal Special	1,385,508	0	(1,385,508)	704,684	0	(704,684)
Total	3,897,581	0	(3,897,581)	1,415,464	0	(1,415,464)

(continued on page 3)

Motor Tax Division:	FY 92			FY 93		
Expenditures:	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
FTE	26.00	0.00	(26.00)	26.00	0	(26.00)
Personal Services	608,768	0	(608,768)	608,339	0	(608,339)
Operating Costs	140,023	0	(140,023)	137,175	0	(137,175)
Total	748,791	0	(748,791)	745,514	0	(745,514)
Funding:						
State Special	748,791	0	(748,791)	745,514	0	(745,514)

Dept. of Transportation:	FY 92			FY 93		
Expenditures:	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
FTE	1933.83	1981.82	47.99	1933.83	1981.82	47.99
Personal Services	60,598,371	61,972,749	1,374,378	60,566,053	61,940,946	1,374,893
Operating Costs	220,355,789	221,329,259	973,470	188,428,236	189,038,911	610,675
Equipment	6,704,024	6,726,378	22,354	6,361,430	6,379,930	18,500
Capital Outlay	3,175,900	3,175,900	0	3,075,900	3,075,900	0
Local Assistance	14,380,000	17,637,684	3,257,684	14,380,000	15,337,684	957,684
Transfers	33,059,457	33,069,457	10,000	26,065,615	26,075,615	10,000
Debt Service	49,269	49,269	0	49,269	49,269	0
Total	338,322,810	343,960,696	5,637,886	298,926,503	301,898,255	2,971,752
Funding:						
General Fund	0	589,706	589,706	0	361,979	361,979
State Special	192,077,121	195,582,664	3,505,543	166,566,450	168,152,932	1,586,482
Federal Special	131,889,221	133,349,719	1,460,508	118,157,513	119,115,999	958,486
Proprietary Fund	14,356,478	14,438,607	82,129	14,202,540	14,267,345	64,805
Total	338,322,810	343,960,696	5,637,886	298,926,503	301,898,255	2,971,752

Net Impact:	FY 92			FY 93		
Expenditures:	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
FTE	1986.32	1981.82	(4.50)	1986.32	1981.82	(4.50)
Personal Services	62,089,708	61,972,749	(116,959)	62,057,173	61,940,946	(116,227)
Operating Costs	221,254,259	221,329,259	75,000	189,126,793	189,038,911	(87,882)
Total			(41,959)			(204,109)
Funding:						
General Fund	640,823	589,706	(51,117)	460,728	361,979	(98,749)
State Special	195,573,506	195,582,664	9,158	168,258,292	168,152,932	(105,360)
Total			(41,959)			(204,109)

SB 164

SENATE HIGHWAYS
EXHIBIT NO. 4
DATE 1-29-91
BILL NO SB164

KEN DUNHAM, Secretary · Manager

Montana Contractors' Association, Inc.
A Chapter of
the Associated General Contractors of America

1717 11th Avenue
Post Office Box 4519
Helena, Montana 59604
Telephone (406) 442-4162 FAX (406) 449-3199

January 29, 1991

Statement of
Ken Dunham, Manager
Montana Contractors' Association

SENATE BILL 164 - MONTANA DEPARTMENT OF TRANSPORTATION

Creating a Montana Department of Transportation is viewed by the Montana Contractors' Association as a logical and needed step.

Contractors who currently need transportation issues resolved find themselves traveling between two to five separate state agencies, depending on the complexity of the issue or problem. A "one-stop" agency for licencing, fees, taxes and registrations will greatly assist the industry.

By streamlining the state's transportation needs into one department, the construction industry is hopeful that more tax dollars will find their way into highway construction and public facilities construction, and fewer of those dollars required for administration.

We see this as a positive sign for the next century in Montana and urge the bill's passage.

Opponents' Testimony:

None.

Questions From Committee Members:

SENATOR WEEDING asked Dave Galt if their rules are broad enough to encompass this.

DAVE GALT said their rules are broad enough. In the agreement they would sign into to allow this, there would also be specific rules in dealing with the permit issuance.

Closing by Sponsor:

REPRESENTATIVE STANG closed the hearing on House Bill 84.

EXECUTIVE ACTION ON HOUSE BILL 84

Motion:

SENATOR FARRELL moved that HOUSE BILL 84 BE CONCURRED IN.

Discussion:

None.

Amendments, Discussion, and Votes:

Senator Farrell will carry HB 84.

Recommendation and Vote:

MOTION PASSED UNANIMOUSLY that HOUSE BILL 84 BE CONCURRED IN.

HEARING ON SENATE BILL 164

Presentation and Opening Statement by Sponsor:

SENATOR JOHN HARP, District #4, stated that Senate Bill 164 was at the request of the Governor. He distributed the Montana Department of Transportation (DOT) proposal. (SEE EXHIBIT 3) In May of 1989 Governor Stevens formed an eleven man commission to look at the feasibility of the DOT in Montana. There are four of those eleven who served on that commission who will testify. They are: Chuck Brooke, Dan Huestis, Larry Tveit and Barry Stang. Senator Harp gave an overview of the proposal. (See Exhibit 3) He stated this would provide a one-stop shopping for the trucking industry by moving the Motor Fuels Division from the Department of Revenue to the Department of Transportation.

SENATOR HARP said that the Board of Aeronautics did have some concerns. They are somewhat autonomous, they do not want to be swallowed up by a so called super highway. One of the ways that is addressed in the bill is that they will have statutory recognition in the DOT and they will also have a Deputy Director. The nine member aeronautics board will be continued on and not be suspended. The same holds true for the Public Transportation Committee. This bill will allow two different agencies to dovetail rather than going in two different directions. There maybe some change from Public Transportation to Rail and Transit. The Highway Commission will stay in place and will also have a deputy director. There is a possibility of putting other areas of state government that could be put under DOT in the future.

Proponents' Testimony:

REPRESENTATIVE BARRY STANG, District #52, expressed support for SB 164. He gave an overview of what the commission did to put this altogether. The general public seemed to be concerned that this bill would become another Department of Family Services and grow on us. What went into this bill will show how in the process, they have streamlined state government. In that process, it will save the state some money.

CHUCK BROOKE, Director of the Department of Commerce, testified in support of SB 164. The result of the study, which was a cooperative effort between the Department of Highways, Commerce Department, Revenue Department, Justice Department and the Public Service Commission, was to pull together documents examining the pros and cons associated with consolidating any transportation functions. This report gave a good inside look at the pros and cons associated within different programs in other agencies. As a result of the commission holding six hearings around the state, the commission gave a special report to the Governor which reflected the testimony of over 100 individuals. There were concerns in three areas: 1) the interests such as aviation, specialized transportation, Montana grain shippers were concerned the by corporating their functions into a Department of Transportation they would become lost in the Department; 2) they expressed concern that there would be a loss in the funding; 3) there was a concern of a loss of the private sector involvement in the advisory capacity to those agencies. Tnose concerns have been more than adequately provided for in this bill.

JOHN ROTHWELL, Director of the Department of Highways, stated that the government departments should be responsive to their customers, which are the tax payers of this state. If the DOT bill is passed, that philosophy of better customer service would be enhanced even more. The act must be intermobile, recognizing that highways and mass transit systems must join effectively with air, rail, and water way systems if mobility is to keep pace with our transportation needs.

JOHN ROTHWELL stated that this is why Montana must join the 45 other states in combining all modes of transportation under one policy umbrella. The DOT places all modes of transportation on an equal status. The combination of various modes will allow the Department to give better overall service.

DENNIS ADAMS, Director of the Department of Revenue stated that under the proposed DOT the Department of Revenue will be transferring the Motor Fuels Tax Division to the new DOT. Currently, when motor carriers doing any travelling in interstate business, they usually register an international registration plan (RIP) which allows them to travel in multiple states. The base state then shares the revenue with the other states. Effective January 1, 1991, the Motor Fuels Tax Division became a participant in the International Fuel Tax Agreement. This is similar to the RIP in that the base state carriers will only file a report with the State of Montana regardless of what other states they operate in. This requires that the carrier first register with Department of Highways for the RIP, they then get their International Fuel Tax registration with the Motor Fuels Division. By moving them all to the DOT the carrier will be able to do one registration to cover both. The other convenience is in the area of audits. The DOR is required under the International Fuel Tax Agreement to audit 25% of the registrants each year. The RIP Plan also has an audit requirement. The same data is being used for the audits. This way there won't be separate groups of auditors looking at the same records but at different times. The Department of Revenue is supportive of the creation of the Department of Transportation.

JOANNE CHANCE, representing the Montana Technical Council, stated they support SB 164. The consolidation of all areas of transportation would have several benefits. Design professionals and those they serve, would benefit from a consolidated, coordinated Department of Transportation. This would serve to expedite the public projects and simplify functions of responsibilities of the various governmental agencies.

JAMES TUTWILER, representing the Montana Chamber of Commerce, stated they support SB 164. The Chamber had some participation in the early preliminary study. Businesses in Montana depend upon both public and private and usually multiple transportation services in the state.

DAN HUESTIS, Chairman of the Montana Highway Commission, stated the Commission is in full support of SB 164. He said he commends all the divisions who cooperated in this, as well as the eleven member commission. This holds the promise that all those functions of state government can be working together.

BEN HAVDAHL, representing the Montana Motor Carriers Association express support of SB 164. Originally, there were other aspects considered such as including the motor carriers safety division, PSC transportation function, along with the commercial drivers license function. In the brochure it is suggested that the future legislature consider these, MMCA subscribes to that. Mr. Havdahl suggested they be put into an interim study assuming passage of this bill.

KEN DUNHAM, Manager of the Montana Contractors' Association, distributed his testimony in support of SB 164. (SEE EXHIBIT 4)

JIM MANION, representing Triple A of Montana, stated they support SB 164.

JANELLE FALLAN, President of the Montana Highway Users Federation passed out brochures about their organization. (SEE EXHIBIT 5) Ms. Fallan stated they agree with the evaluation section under funding stating "no mode should be perceived as subsidizing another. The highway interests appear adamant that highway user taxes and motor fuel taxes should not be used for non highway purposes".

LORNA FRANK, representing the Farm Bureau expressed support for SB 164.

KAY NORENBERG, representing WIFE (Women in Farm Economics) testified in support of SB 164. (SEE EXHIBIT 6)

BOB STEPHENS, representing the Montana Grain Growers Association, stated they have a resolution which states "the Montana Grain Growers supports the concept of the State Department of Transportation, combining the function of the Highway Department, the rail division, the Department of Commerce and aeronautics, each with divisional status. The system must allow for maximum input by affected industries in geographic areas for all transportation mode. The DOT should allocate the limited funds available as to enhance the total state transportation system to the extent possible."

GEORGE PAUL, representing Montana Farmers Union, stated they support the formation of a Department of Transportation but with reservation. They are extremely concerned about the rail division. Montana agriculture has had a close relationship with the Transportation Division in the Department of Commerce. Mr. Paul stated they are concerned that the function of the rail people is not diminished. There needs to be some signal to the Administration clear across the board that there will be protections in there.

Opponents' Testimony:

MARK LANGDORF, American Federation State, County and Municipal Employee, MT Council 9 stated they opposed SB 164. The Federation represents 350 Highway employees throughout the state. They are concerned about their job security. This bill would open the door to privatization of highway maintenance work through the closure of section houses and contracting out of repair services. There is House Bill 87 which would allow Department of Highways to reciprocate services with adjoining states. MARK LANGDORF stated they are concerned that if Aviation Division needs a Department of Highways plow to come clear an airport runway, and the Department of Highways does not have the supply of manpower and services, how would they support aeronautics. This alludes to if one division is not subservient to another, how can this even take place?

Questions From Committee Members:

SENATOR FARRELL asked John Rothwell about when Motor Fuels and Licensing moves there will not be room for the Public Service Commission and they will have to move out.

JOHN ROTHWELL said that is correct. The PSC has an appropriation request in to move. They were seeking to move in any event because they were out of room and did not have any expansion area. The appropriation is for about $30,000. If the DOT is formed, it would be more appropriate if they did not move.

SENATOR FARRELL asked how there would be one-stop shopping if one is moving in and the other moving out.

JOHN ROTHWELL stated they are looking at they are looking at Fuels being right there with GVW.

SENATOR HARP asked Wayne Budt if, regardless of this bill, the PSC looking to move because you need additional room.

WAYNE BUDT stated that within the appropriation it was stated that if the DOT needed the space the PSC would be willing to move. The Subcommittee is holding that appropriation pending on what happens to SB 164.

SENATOR HARP asked if it was not for DOT, they would not be moving.

WAYNE BUDT said that was correct.

SENATOR HARP asked how many additional FTEs are being requested in the PSC executive budget.

WAYNE BUDT stated the request was for three FTEs, the Subcommittee gave them none.

SENATOR FARRELL asked if the request was for the Transportation Division or on the other side.

WAYNE BUDT stated it was on the utility side.

SENATOR FARRELL asked if there would be a problem with the Transportation Division staying and the Utility Division moving.

WAYNE BUDT said there would be a problem, just the logistics of dealing with the Commissioners on a daily basis through the hearings and daily contact. It would be tough to have them split apart.

SENATOR FARRELL asked what happens if they are made part of the DOT.

WAYNE BUDT stated it was discussed by the study committee. It means you would have to set up a board to make the decisions that the Commissioners make now. If the Transportation Division becomes part of the DOT, somebody would have to make the decisions on rate increases, granting authorities, etc. You either leave it with the PSC or set up a board.

SENATOR REA asked what the cost of moving would be. Would they have to acquire a building or lease.

WAYNE BUDT stated there is no state-owned building that will hold the PSC. If they move it will have to be into a private building. The cost would then be more. It does not affect the general fund because of the way the PSC is funded with the utility tax. The cost is around $170,000 initially for the rent and to move, after that it goes down to $140,000.

SENATOR TVEIT asked about the concern regarding the rail transportation issues. How will that fit into the new DOT.

JOHN ROTHWELL stated that each will be a separate division and that division comes into the DOT as it is now structured. Per their request, they want the name change to go to rails and transit, which even further defines the rail function of that department.

SENATOR FARRELL asked how many accounts are being audited.

NORRIS NICHOLS, Administrator of Motor Vehicles, stated at the present time, as of December 31, 1990, they had 13,000 accounts. Since they have gone into IFTA (International Fuel Tax Agreement) they are eliminating about 7,000 accounts. That includes the intra state carrier and the base state carrier. It was agreed upon, that they would turn the IFTA audits over to the RIP where they can be combined.

SENATOR WEEDING asked if the reduction of two auditors is a saving or will someone else have to pick that up.

NORRIS NICHOLS stated the IFTA requires that 25% of those audits be done every four years. They will be able to do the RIP and IFTA as one audit.

SENATOR FARRELL asked how many RIP accounts they have.

DAVE GALT stated they have about 11,000 RIP accounts, last year 300 were audited.

SENATOR FARRELL asked if they have enough auditors.

DAVE GALT stated that last year they exceeded their audit requirement. They do have enough auditors, they also pick up temporary auditors in the summertime. They do not have to audit 25% of 6,000 carriers. They have to audit 25% of the IFTA carriers.

NORRIS NICHOLS stated that under the present set up the RIP will audit 12,000 accounts, that leaves a balance of about 4,800 intra state carriers which has not been addressed.

BILL SALISBURY, Department of Highways stated they have combined several areas. It takes auditors from the accounting bureau and the internal audit unit and the civil rights unit. They will not need additional FTEs.

SENATOR FARRELL asked how many are in the rail administration under Department of Commerce.

CHUCK BROOK stated there are 13 FTEs.

PATRICIA SAINDON, Transportation Bureau, Department of Commerce stated that out of the 13, 4 FTEs that handle rail activities. They are responsible for the rail planning activities; working with the Federal Rail Administration; responsible for dealing with the shippers; work with communities in the abandonment hearings; responsible for monitoring train activities or issues brought before the ICC.

SENATOR FARRELL asked why we need to create a fourth division in the DOT and call it Rail and Transit.

PATRICIA SAINDON stated that they don't, it is her understanding that they are looking at the activities of the Transportation Division of the Department of Commerce which has more than one function.

JOHN CRAIG, Intermodal Commodities Bureau, Department of Commerce stated they cover the rail bureau within the Department of Transportation. He stated they are responsible for the federal program known as the Local Freight Assistance Program. They evaluate the state's rail system to determine if any of the rail lines are eligible for federal funding and assistance.

MR. CRAIG said in addition to that, they also have the litigations activities associated with McCarty Farms along with other numerous cases. They have an attorney and a rate cost specialist that assist in providing inputs on these particular issues. Mr. Craig said that in terms of dollars available in the LFA (Local Freight Assistance), there is available $5 million nationally, currently they are administrating $1 million in a program which has built up over a number of years.

Closing by Sponsor:

SENATOR HARP closed the hearing on SB164. Senator Harp stated that it has been demonstrated through questioning that there will be savings and is a good conservative approach.

ADJOURNMENT

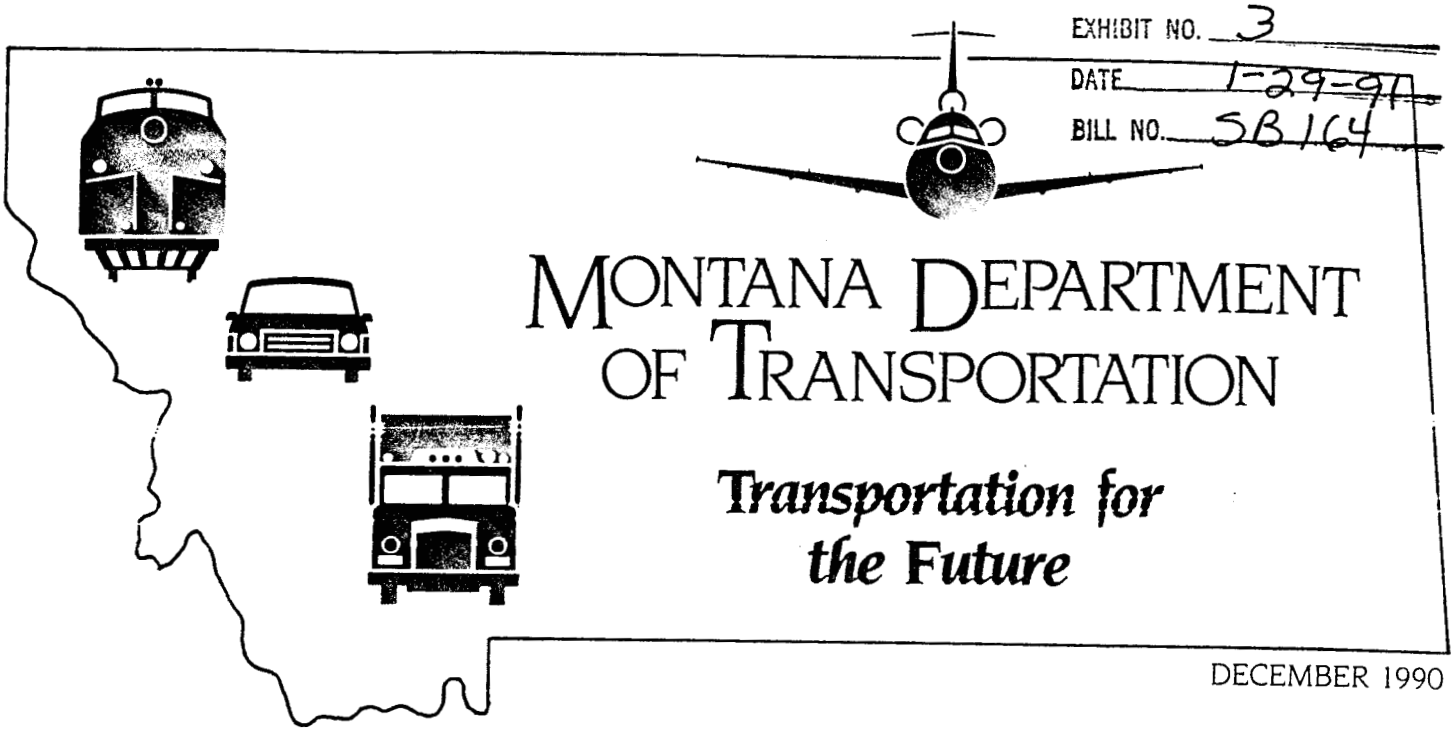
Adjournment At: 2:55 p.m.

SENATOR CECIL WEEDING, Chairman

PAT BENNETT, Secretary

CW/pb

SENATE HIGHWAYS
EXHIBIT NO. 3
DATE 1-29-91
BILL NO. SB 164



MONTANA DEPARTMENT OF TRANSPORTATION

Transportation for the Future

DECEMBER 1990

In announcing his proposal for creation of a Montana Department of Transportation, Governor Stan Stephens established four transportation goals for Montana:

- to improve Montana's transportation planning for all aspects of transport—road, rail and air. We're faced with a pressing need for a unified vision of Montana's transportation requirements in the 21st century. That need can only be met by consolidating transportation-related functions—system planning, system development, and safety— into a single agency.

- to ensure that safe and efficient transportation facilities and services are available for all modes of transportation in Montana to support and promote jobs and a healthy statewide economy.

- to enhance public service and convenience by providing "one stop shopping" for licenses, fees, taxes and registrations relating to transportation.

- to improve overall government efficiency and reduce costs by streamlining services and eliminating duplicate efforts and programs while, at the same time, providing better, more responsive service.

DOT Structure and Components

Meeting Montana's transportation goals will require an organization structured so that all transportation modes share equal standing. There will initially be four statutory divisions within the Department of Transportation (DOT):

- aeronautics
- public transportation
- highways
- administration

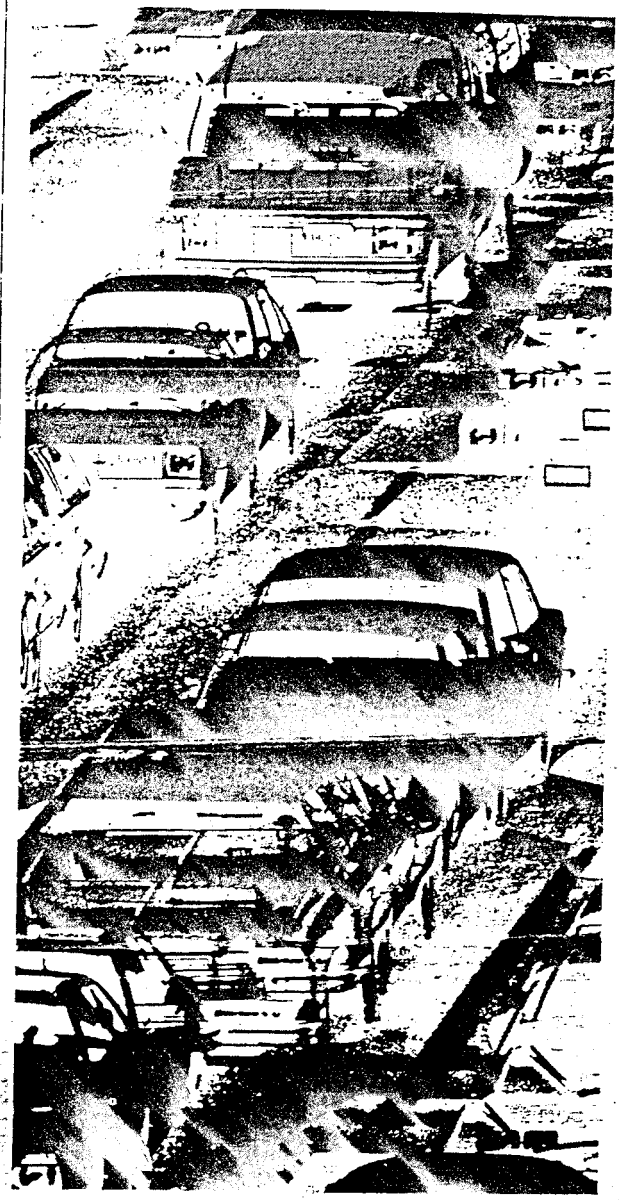
The DOT legislation will include a transfer of Aeronautics and Public Transportation functions from Commerce and the Motor Fuel Tax Division from Revenue. The Highway Department as it exists today will be abolished and its functions incorporated into the new DOT.

MHUF
MONTANA HIGHWAY
USERS FEDERATION

P.O. Box 4519
Helena, MT 59604

SENATE HIGHWAYS
EXHIBIT NO. 5
DATE 1-29-91
BILL NO. SB 164

MHUF
MONTANA HIGHWAY
USERS FEDERATION



SD 167

JANUARY 28th 1991 EXHIBIT NO. 6

WIFE Women Involved in Farm Economics

1-29

BILL NO. SB 167

My name is Kay Norenberg, representing WIFE. My thanks to the committee for the opportunity to express our views on this bill.

First, we are Wome n Involved in Economics, concerning ourselves with all issues that affect agriculture, and ag. is the primary industry of the state:

We support the concept of a D.O.T. ONLY if

1/All modes have equal status, and

2/If it can be proven to be economically viable, and

3/If serious consideration is given to the financial costs of relocation.

WIFE has worked closely with the transportation authorities in the state for many years, and has always commended them for their professionalism, their expertise and their cooperation.

Last year, in the feasibility study, the comments by the 7 offices involved showed 26 "minusses" and 15 "plusses", so it is obvious that this is a move which should not be made in haste. The study also indicated the need for more staff, not less, in the DOH commentary.

We are seriously concerned that the small (in numbers and budget only) DOC Transportation division not be relegated to a minor position in this huge new bureaucracy. That office, already impacted by a 19% staff reduction last year, has responsibilities that affect all of us. It deals with situations that means millions of dollars to the State and its citizens, such as rail rates and grain car shortages, monitoring waterways, and grain export problems. And the public transportation of the elderly and the disabled. It even considers the impact of moving bulk shipments on the highways.

Therefore, we suggest a Board of TRansportation commissioners, giving consideration to each mode and each geographic area, appointed for their expertise.

We also feel that, rather than one Administrator, there should be Transportation Directors, from each mode, on the lines of the I.C.C.

Finally, we urge restraint- it cost $200,000 to move the PSC into the DOH building, and the costs of all the relocation necessary at a time when our state has a serious fiscal problem indicates caution and study before drastic steps are undertaken. A temporary solution to the 'one-step' shopping would be a central office to"direct traffic" to the appropriate office.

SENATE HIGHWAYS
EXHIBIT NO.
DATE
BILL NO.

WITNESS STATEMENT

To be completed by a person testifying or a person who wants their testimony entered into the record.

Dated this 29 day of JAN, 1991.

Name: MARK LANGDORF

Address: 36 S. Last Chance Gulch

Telephone Number: 442-1192

Representing whom?

AFSCME MT Council #9

Appearing on which proposal?

SB 164

Do you: Support?____ Amend?____ Oppose? X

Comments:

represent 350 highway employees

this ~~will~~ would open the door to privitization of highway ~~employees~~ maintance work. Through closure of section houses contracting of repair services.

a request of the Gov. is proof in the putting that the DOT leads to privitation.

HB87 would allow Wyo to plow in West Yellowstone if we can't do this how can we get DOH to plow an airport. If one division is not subservent to other how can you take a new plow to Aviation

MT tech council engineers

Durham more tax dollars privatization

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

COMMITTEE ON: HIGHWAYS AND TRANSPORTATION

DATE: January 29, 1991

VISITOR'S REGISTER

NAME	REPRESENTING	BILL #	SUPPORT	OPPO
Dave Galt	DOH	HB 52 84	✓	
Dana Huestis	MT Highway Comm.	SB 164	✓	
Mark Langdorf	AFSCME MT Council #9			✓
John Rothweck	DOH	SB 164	—	
Kay Norenberg	WIFE	SB 164	✓	
Mick Robinson	Dept. of Justice	SB 164	✓	
Kenneth Smallland	Dept of Ag	SB 164	✓	
Lora Huestis			✓	
Ray Fung	Watkins Shepard			
Cal Brooke	Dept of Comm	SB 164	✓	
Mike Ferguson	" " " Aeronautics Div	SB 164	✓	
Ken Dunham	MT Contractors' Assoc.	SB 164	X	
Ben Havdahl	MT Motor Carriers	SB 164	✓	
" "	" " " "	HB 84	✓	
Jim Tutwiler	MT Chamber	SB 164	✓	
Danielle Fallon	MT Petroleum	SB 164	✓	
Joanne C. Chance	MT Tech Council	SB 164	✓	
Lorna Frank	Farm Bureau	SB 164	✓	
George Paul	MT Farmers Union	SB 164	✓	

(PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY)

COMMITTEE ON: HIGHWAYS AND TRANSPORTATION

DATE: _____

VISITOR'S REGISTER

NAME	REPRESENTING	BILL #	SUPPORT	OPPOS
Jim MANION	MONTANA AAA	SB 164	✓	
Bob Stephens	Mt. Grain Growers assn	SB164	✓	
PAUL SLITER	WESTERN PETROL MKTERS ASSN	SB164	✓	

(PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY)

EXECUTIVE ACTION ON SENATE BILL 164

Discussion:

SENATOR JOHN HARP distributed amendments to SB 164. (SEE EXHIBIT 6) The amendments change the Public Transportation segment in the Department of Commerce to insert "Rail and Transit". Senator Harp explained the rest of the amendments.

SENATOR FARRELL asked John Rothwell about the 4 divisions and if they would be equal in power.

JOHN ROTHWELL, Director, Department of Highways stated that the Rail Bureau, Transit Bureau, Aeronautics, and Highways are all on equal status.

SENATOR FARRELL asked why we should elevate rail to the same stature that highways and air is at right now.

SENATOR HARP stated that by putting them under one agency, they will be able to better organize motor transportation. They are not taking any earmarked accounts from one bureau to go to another. No dollars from the highway department will be taken to subsidize the transit area. Another reason why they are being sure that transit stays in form is because they made a commitment to Agriculture. Early on in the DOT proposal that any involvement dealing with litigation, they want to be sure they don't let those people down.

SENATOR FARRELL asked Senator Harp if once under rail and transit, one of the lines decides to close a spur, would the DOT be able to oppose that.

SENATOR HARP stated they will be able to comment on it, just as they do now. This is one of the selling points, the ability not to have a Department of Commerce and a Department of Highways working to different aspects. This way they will be able to coordinate the actual cost if they do have to abandon a rail.

JOHN ROTHWELL stated that in the case of a rail abandonment, it is a lot easier coordination under a DOT for the rail bureau and the highways to coordinate their effort.

SENATOR FARRELL asked who will pay for rail, if it will come from general fund money.

JOHN ROTHWELL said it will not come from general fund money.

PATRICIA SAINDON, Administrator of the Transportation Division, stated the budget that is currently made up of funds from some general fund moneys, money from the Federal Rail Administration, and money from the Urban Mass Transportation Administration. The general fund money is approximately 20%.

SENATOR WEEDING stated that there are people who are uneasy about the rail part, particularly the McCarty Farms suit. They want more assurance that this action will be pursued as vigorously as it has in the past.

SENATOR HARP stated that the amendment just put on the bill speaks about the equal footing. There will be a director and a deputy director involved with those decisions. The commitment has been made.

SENATOR WEEDING stated that by making it public, the Committee needs to acknowledge that concern and makes a public comment that the Committee is in fact are dedicated to preserving all the functions that are on going.

GEORGE PAUL, Farmers Union, stated they still are very concerned about it. As far as making a public statement that the function of the rail people will be preserved, and that the situation between the agricultural industry with the McCarty Farms case not to diminish, this is all very important to them.

EVERETT SNORTLAND, Director of the Montana Department of Agriculture, stated he was involved in some of the planning of the DOT and he feels it is the way to go. He stated he understands Mr. Paul's concerns, but he does feel they have been resolved.

Amendments, Discussion, and Votes:

SENATOR HARP MOVED to ADOPT the AMENDMENTS TO SENATE BILL 164.

MOTION TO ADOPT AMENDMENTS PASSED 8-1 with Senator Farrell opposing and Senator Tveit voting for the amendments by proxy.

Motion:

SENATOR HARP MOVED that SENATE BILL 164 DO PASS AS AMENDED.

MOTION PASSED that SENATE BILL 164 DO PASS AS AMENDED 6-2 with Senator Farrell and Senator Koehnke opposing. Senator Tveit voting by proxy for the bill as amended. SENATOR STIMATZ was absent during the vote.

COMMITTEE ON: HIGHWAYS AND TRANSPORTATION

DATE: January 31, 1991

VISITOR'S REGISTER

NAME	REPRESENTING	BILL #	SUPPORT	OPPOSE
Henry E. Lohr	Hank's Salvage & Towing	HB48		
Martin Jacobson	PSC	SB 101		
Howard Ellis	" "	✓		
Everett Shortland	Mt Dept of Ag	SB164	✓	
Rep Ed Dolezal		HB98	✓	
Wm. H. Emerson	Pearl Harbor Survivors	HB98	✓	
D.L. Bishop	" "	"	✓	
Don Purcell	" "	"	✓	
Jim Schibsted	" "	"	✓	
Eve Franklin	MT State Legislature Senate	HB98	✓	
Dick Baumberger	DAV Dept. ML	"	✓	
George Poston	United Veterans Com. of MT.	HB98	✓	
John Denherder	Disabled Amer. Vets	HB98	X	
E.T. Shea	D.A.V.	"	✓	
Rich Brown	Mt Board of Vets Affairs	"	✓	

(PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY)

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON HIGHWAYS & TRANSPORTATION

Call to Order: By **CHAIRMAN BARRY STANG**, on March 18, 1991, at 3:00 p.m.

ROLL CALL

Members Present:
- Barry "Spook" Stang, Chairman (D)
- Floyd "Bob" Gervais, Vice-Chairman (D)
- Ernest Bergsagel (R)
- Robert Clark (R)
- Jane DeBruycker (D)
- Alvin Ellis, Jr. (R)
- Gary Feland (R)
- Mike Foster (R)
- Patrick Galvin (D)
- Dick Knox (R)
- Don Larson (D)
- Scott McCulloch (D)
- Jim Madison (D)
- Linda Nelson (D)
- Don Steppler (D)
- Howard Toole (D)
- Rolph Tunby (R)

Staff Present: Valencia Lane, Legislative Council
Claudia Johnson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

HEARING ON SB 164

Presentation and Opening Statement by Sponsor:

CHAIRMAN BARRY STANG, House District 52, St. Regis, opened for **SEN. HARP** who was presenting a bill in another committee. **CHAIRMAN STANG** said SB 164 will create the Department of Transportation (DOT). In doing this, it will transfer the functions of various departments throughout the system of state government into one area. This will improve Montana's transportation planning for all aspects of transport; road, rail and air, and will unify the version of Montana's transportation requirements in the 21st century. This can only be met by consolidating transportation related functions, system planning,

and system development of safety into a single agency. This will insure the safe and efficient transportation facility and services that are available for all modes of transportation in Montana to support and promote jobs and a healthy statewide economy. This will improve general government efficiency and reduce costs by streamlined services and eliminate duplication efforts and programs while providing better and more responsive service. **CHAIRMAN STANG** said this department will be made up of 4 divisions: 1) Highways; 2) Aeronautics; 3) Administration; and 4) Rail and Transit and amend in under transit, Motor Carrier's Service Division. This is in review of a trip that was taken by the board members, to six or seven cities in Montana in two days and held public hearings on the combining of the DOT. The one thing most people did not want, was to have a new department created in state government which would become bigger and not be able to serve the people. The other big concern in the aeronautics division and the public transportation division was, would the constituency be treated on the same level as the Highway Department. They did not want the Highway Department taking over the aeronautics division because the tax from air fuel goes to develop airports, and they did not want their money used on anything else. The amendment that will be added will take care of the Motor Service Division because when this bill passed the Senate, it was inadvertently changed to rail and transit and the truckers in the state felt they would be left out. After a couple of years and watching the functions of the operation, maybe incorporate the Highway Patrol and the Public Service Commission, but they will not be added in until a later date. **EXHIBIT 1**

Proponents' Testimony:

Chuck Brooke, Director, Department of Commerce, reviewed the process of where the bill developed from. In the fall of 1989, Governor Stephens asked the Montana Highway Commission to meet and evaluate all the different transportation programs throughout state government as the first step in assessing the need and feasibility of the DOT. As a result of that process a formal feasibility assessment was completed and involved the Department of Highways, Department of Commerce, Department of Revenue, Department of Justice and the Public Service Commission. The format of this was a pro and con analysis of the merits of and including certain functions in the DOT or admitting them. This was an important first step in terms of the Governor being able to assess that indeed Montana would be well served by bringing all the related transportation planning functions together. The second step that **CHAIRMAN STANG** was personally involved in was the series of public hearings held in June throughout the state: Helena, Missoula, Kalispell, Havre, Glendive and Billings. **Mr. Brooke** said in most of these public hearings more than 100 people appeared and presented testimony that was published in a special report to the Governor outlining the input received. **Mr. Brooke** summarized the report: Unanimous support for the concept of a single agency attempting to deal with the need to find efficient

ways to transport people and products throughout Montana. Most of the special transportation interest in the state addressed the publics concerns of what would happen if the DOT was put together. He said all modes of transportation are recognized as equal divisions. The amendment takes care of the Montana Motor Carriers that had been left out, so there would actually be 5 divisions.

Ben Havdahl, Montana Motor Carrier's Association (MMCA), said that MMCA is supportive of SB 164 establishing a DOT in Montana. MMCA supports the amendment presented by the bill's sponsor, Senator Harp, and respectfully urged the committee to adopt it. The establishment of a division in the new DOT encompassing the operations of motor transportation in Montana is a vital addition to SB 164. MMCA felt it was important to do so by the Legislature to add in the statute that the bill allows for as many divisions as are necessary to be established by the director. **EXHIBIT 2**

Bob Stephens, Montana Grain Growers Association, said he is also speaking for **Lorna Frank, Montana Farm Bureau**. Both organizations support the concept of the DOT combining the functions of the 5 departments. This will allow for the maximum input by the affected industries in geographic areas for all transportation modes. The DOT could allocate the limited funds available to enhance a total state transportation system possible.

Mary Nielsen, W.I.F.E., Plentywood, said she has worked for 14 years on transportation issues as they affect agricultural producers and the rural areas in the capacity of both State and National Transportation Chairman for WIFE. She urged the committee's support for SB 164. **EXHIBIT 3**

Ken Dunham, Montana Contractor's Association, spoke in support of SB 164.

Larry Tobiason, President, AAA, said that by consolidation there will be more efficiency in administration by combining knowledge, equipment and resources and would be a definite costs savings in Montana.

Steve Turkiewicz, Executive Director, Montana Auto Dealer's Association, said he was speaking as president of Montana Highway User's Federation, and favors the creation of the DOT.

Jim Tutwiler, Montana Chamber of Commerce, wanted to go on record in support of SB 164. It is very apparent this bill has a broad base of public support.

Opponents' Testimony:

Mark Langdorf, AFSCME, said AFSCME represents 350 state highway workers in Montana. They are in opposition in the development of

the DOT. He offered amendments that will provide security and job longevity for the blue collar workers employed by the Highway Department in Montana. **Mr. Langdorf** read through the amendments drafted by Paul Verdon in February. **EXHIBIT 4** This will be a new section regarding the continuation of employment of highway maintenance personnel. He said the amendment was asked for because of a discussion that took place in the Department of Highways for a 15% reduction in positions through attrition and not filling the vacancies and using the policy of vacancy savings. Take the fulltime positions, move the FTE funding into the temporary aggregate position that does not allow for a good labor force in the Department of Highways if there is no incentive for longevity in the skilled highway worker. At the same time a promotion freeze was set up by the Department of Highways to move into the DOT which was held until recently. The DOT is set up to strip the workforce of permanent full time positions that were operator II and are now operator I. The Department of Highways will argue there has not been a reduction or lack of quality service. **Mr. Langdorf** does not want to see this done at the expense of the blue collar workers in the Highway Department. On November 5th, a memo was sent from the Highway Department that states for most cases that permanent positions would be filled by temporaries. The Department of Highways is also asking for closure of highway operation sections or maintenance section houses. He would like to see those that are in existence and active now that were in existence effective on January 1, 1991. The department is looking very seriously at the closing of Crystal Creek section and the Marian section, and combining them into the McGregor Lake section. **Mr. Langdorf** said in a dialogue he had with the Highway Department they said it was a 20 mile trip from the Marian section to the new McGregor section house, and that the employee would stay intact and commute the 40 mile round trip to work. He called one of the section workers and was informed it is 29.9 miles one way. At the Crystal Creek and Marian section houses there are 2 section maintenance men who are senior blue collar workers and one will be circled in red. **Mr. Langdorf** said the section man will have his same wages but will be doing operator work instead of maintenance section work. He said the Department of Highways in their restructuring of the DOT, the satellite sections located throughout the state will only be manned 6 months out of the year, so there will be no need for a maintenance section man in the summer. In the winter the sanding, plowing, etc., will be done by temporaries. The quality of the highways will suffer with temporary workers instead of full time permanent maintenance workers. It is not in the best interest of the State of Montana to privatize fulltime employee positions with the Department of Highways and the Department of Transportation. **EXHIBIT 4**

Questions From Committee Members:

REP. LARSON asked **John Rothwell, Director, Department of Highways,** if he has any problem with **Mr. Langdorf's** amendments. **Mr. Rothwell** said he was aware of them and asked if he could

address them; He said this happens to any administrator who tries to organize and control costs of any business. He said the section houses have been under review. There is a level of service that needs to be maintained the same as it is today. During the review the level of service was started at a ½ hour response time on major highways and 1 hour response time on the secondary roads. The study is still under review. Two maintenance chiefs were brought in from other districts to work with the administrators from Helena to put the review together. They used a map to measure travel time to make sure they stayed within the response time. When they are done with their study they will go back to the field to see if they have missed anything. He said overall, it looked like the section houses would stay about what they are. They are looking at the possibility of combining the two section houses on the westside, Crystal lake and Marian, that are older sections. There is a need to have a section house at each end of the area. There is an empty space in the center that doesn't get the full service. If they are funded, they are looking at the possibility of building a new section house inbetween the two older ones for better service. The Department of Highways has used temporaries for a long time, in most cases mainly for snowplowing. Virtually 100%, or at least in the high 90% of all temporaries they hire are in the entry level area, which is a truck driver position. **Mr. Rothwell** said when he first came into the Highway Department, there was a hiring freeze in effect until they could get a handle on what was being done overall. For some reason, many of the constituents of Legislature and the Highway Department are putting the pressure on him regarding the number of people doing road maintenance. The reason they had the review was to see how many people were out there doing maintenance. Are there too many section houses? Are too many section men standing around with a shovel in their hands? He was happy to report that he didn't think that was a problem. Overall, there will be very little change in the section operations. The one thing he said he was not going to do was to lower the level of service that the taxpayers in the state now enjoy. He said if anyone has had the chance to travel in the surrounding states, e.g., Idaho, it is obvious that Montana has better service. Speaking directly on the amendments starting with item: 1) he would not authorize a reduction in the number of full-time employee positions under the Department of Highways maintenance section below the number working on December 31, 1990. He said this would eliminate their ability to combine sections. The word "reduction" to him meant, they must have the same number of people in the same number of sections in the same locations from now and forever; 2) closure of a department may not cause or authorize a closure of a Department of Highways maintenance or operating section that was in existence on January 1, 1991. He said this means that no matter what kind of shape the section houses are in, they could not be combined or moved. They have to stay where they are; 3) (a) the meaning of contracting services performed by a person who is a full-time employee, the department cannot allow the farmers and ranchers to cut the hay along the side of the highways or

trade for the hay, because that is a service that can be done by the full-time employees of the highway department; b) people using equipment owned by the Department of Highways, **Mr. Rothwell** said he didn't think that is a policy now to let people to use their equipment because of liability problems. His concern is; even though they have very good employees, blue collar and on up, management must still provide a service to the constituents and do it in the best possible way, e.g., he said if they had to do a section of the Boulder highway that required a 4 or 6 man maintenance, and that highway is a new highway, other then snowplowing, it wouldn't be expected to take as much maintenance. These amendments would limit their ability to move that crew into an area where there are poor roads in need of maintenance. Along with the review of how the sections are placed, they are in review of how well they are manned. He felt they have some sections that are under-manned. He said that **Mr. Langdorf** would probably agree with him and vice versa because of new road construction. He said they need the ability to balance their crews to give good service on those roads. He said they must use temporaries for high load maintenance operations. If they didn't use temporaries for their snowplowing and hire full-time employees everytime it snows, the legislature probably wouldn't be willing to give the department the total FTEs needed to do these jobs. He said they do not hire temporary section chiefs nor rarely, unless an ex-employee coming back, would the department hire a temporary as an equipment operator one. The temporaries are hired only for the lower end.

REP. GALVIN asked if these amendments are negotiable with unions and do they have any compensation for buying or moving houses or buying other property for the moved employee been discussed. **Mr. Rothwell** said no, because they have never moved employees and do not plan on doing that now. There has never been any policy for moving employees. If they do move the two employees between Crystal Creek and Marian, it would be the first time. This would have to be looked into if that is the case. There are many employees that travel more than 29 to 30 miles to get to work. **Mr. Rothwell** said there are a couple of bills out there that might pass this legislative body that have applied themselves totally towards the privatization issue, as does HB 100 that was in effect previously. He has made the statement several times that he can guarantee that no full time employees of the Highway Department will be laid off due to this reorganization. If they do, and as he stated earlier that it doesn't look like they will be doing any of that, but if they do find it necessary to reduce manpower, it would be done through attrition, not layoffs. He would not have any argument if the amendment was put into the bill stating that fact, that no full time employee of the Highway Department not only in section houses, but in any other area would be laid off as a result of this DOT re-organization.

REP. TOOLE asked what went into the study. **Mr. Rothwell** asked **Chuck Brooke, Director, Department of Commerce**, to answer. **Mr. Brooke** said the study was done by professional staff.

Mike Ferguson, Wayne Budt, and several others were involved in the study and the various functions of the departments. There were a number of things identified in the study that was not put into the DOT. They looked into the study of placing different agencies into the DOT, e.g., the Highway Patrol and Motor Vehicle Licensing Bureau. There are still a number of bad issues that need to be resolved regarding the placement of these agencies into the DOT. They took what they thought was the most important step involving all things everyone agreed to and that was to combine those basic transportation related planning functions so they could get the coordination going. He said it was unquestionable that in future sessions there would be other proposals before the committee to potentially move the other controversial issues over there. **REP. TOOLE** asked how long the study took. **Mr. Brooke** said it was in October of 1989 that the Governor asked the highway commissioners to initiate and coordinate the study and thought the study started in May of 1990, about a 6 month process. In June of 1990, the group doing the review traveled throughout the state holding the public hearings on the proposals that had been made. He said when they came back with their report, the Governor gave them the green light to draft the bill to start the DOT.

REP. FELAND asked when he talked about moving did he mean that in title or literally. **Mr. Brooke** said the aeronautics division owns its own building and is physically located adjacent to the Helena airport where it will stay. Mike Ferguson, division **administrator with the Department of Commerce**, will go to the Highway Department building which will be the DOT building, to work with the director of the DOT. **Mr. Brooke** said 13 employees would be moved with their computers, desks, etc., to the DOT building. The motor fuels tax from the Department of Revenue will be relocated to the DOT.

CHAIRMAN STANG asked what has been the Highway Department's experience with privatization. **Mr. Rothwell** said very little has been done. They tried some things, and it has not been cost effective. They will only do privatization that makes economic sense, something that will make the state money. The one thing they would like to do is to continue letting the farmers cut the hay along the highways. They tried privatization in paint striping. He did not believe in making blanket statements to privatize the whole Highway Department. They do need to try to involve small projects in privatization, e.g., road patching in one district to see if it is cost effective. He felt they needed to run some experimental projects like that to see if they would work. Most of the Highway Department's projects are already privatized; i.e., all of their contracts go to the private sector now, supplies, tires, paint, grease, oil and gasoline. He said they deal all the time with the private sector. He said his financial deputy **Mr. Salisbury**, could tell the committee that 80% of the Highway Department's budget goes to the private sector.

One of the areas they have been forced to privatize because of the manpower problem, has been the water planning engineering work done through consultants. **Mr. Rothwell** said this is not very cost effective having to go to consultants, the cost is two to three times more than it would cost to do the work themselves. He said they are trying to get pay incentives for technical staff so they can take more of that work on and take it away from the outside private sector. **CHAIRMAN STANG** asked **Mr. Rothwell** to address the extra employees coming into the DOT and if there will be enough room for the PSC or will they have to move from the highway building. **Mr. Rothwell** said the 13 employees from the Department of Commerce and 23 employees from the Department of Revenue will move into the highway building. There will not be any room in the Highway Department when those people move in so the PSC will have to leave. The PSC rents about 11,000 square feet from the Highway Department and has 46 employees. **Mr. Rothwell** said they will be putting about 70 plus employees in that same area that the PSC had. Some of the sections are scattered throughout the building, so the re-organization will help to get those areas back together. The fuel tax division will be segregated and the cashiering part of that will be moved into the accounting function, while the permit selling portion of that will move back into GVW. The best part of this reorganization is everyone will be cross-trained, more than one person will know the job.

REP. FOSTER asked if the PSC moved out of the highway building, would some of the transportation division of the PSC stay in the building as part of the DOT. **Mr. Rothwell** said no, they would move out totally. **REP. FOSTER** said even though they are part of the reorganization and part of transportation they would be out. **Mr. Rothwell** said no part of the PSC will be part of the DOT. He said every agency that is a part of DOT will be in the highway building. **REP. FOSTER** asked if that meant the cost of moving the PSC was not in the bill. **Mr. Rothwell** said that was correct.

REP. FOSTER asked if any of the moving costs of the PSC was built into some bill that was before Legislature. **Mr. Brooke** said it is included in HB 2.

REP. TUNBY asked **Mr. Brooke** who would take the space of the 13 employees leaving the Department of Commerce. **Mr. Brooke** said the department is spread over 9 separate buildings in Helena. This will allow him to bring his Block Grant program back, which is currently in the Department of Health building.

Jack Ellery, Deputy Director, Department of Revenue, said the plans are: 1) to move motor fuels to the highway building; and 2) they would like the Highway Department to move the liquor division, currently in the Mitchell building, down to the liquor warehouse.

REP. LARSON asked **Mark Langdorf** about the amendments he had proposed and Mr. Rothwell had opposed, that said, " he guaranteed

there will be no layoff through the DOT reorganization", if he would be comfortable with the bill if there was an amendment to that effect. **Mr. Langdorf** replied absolutely. He said in his prior testimony the opportunity to re-organize into the DOT to become a division of highway is an ideal time to let go of policy and make a total realignment, therefore, forcing either layoff or vacancy savings through the expense of the blue collar worker, to put that amendment forth that "there will be no reduction in the number of full-time employee positions of the division of highways and any maintenance sections below that number is supported now.

REP. ELLIS addressed **REP. LARSON'S** question quoting **Mr.** Rothwell's statement, that no one would be laid off, and **Mr. Langdorf** said there wound't be a reduction of force. **REP. ELLIS** said that is not exactly the same thing. **REP. ELLIS** asked if he would abide by anyone being laid off. **Mr. Langdorf** said job vacancy situations need to be addressed. If a position were to be opened by e.g., an operator I leaving, and the funding is transferred to temporary aggregate, it will be facilitated by the full opportunity for permanent fulltime position to be filled by an operator I, or a temporary that would like full-time employment with the department. He said a full-time employee is not the key here, because through HB 2, part of Highways has a budget line for FTE which can be moved anywhere in the matrix where it is needed. He hoped the committee would not allow this to be done at the expense of a full-time employee position.

CHAIRMAN STANG asked if he was asking the Department of Highways not to do something that they can already do if they wish to do it, e.g., remove full-time employees or remove positions by attrition, can't this be done currently. **Mr. Langdorf** said yes they can. **CHAIRMAN STANG** asked if he was saying the Highway Department through this amendment will not be able to do this. **Mr. Langdorf** said yes. **CHAIRMAN STANG** asked if this was the proper place for this amendment or should it be in HB 2. **Mr. Langdorf** said the Highway's budget line for FTE allows them to move an employee's wages and benefits throughout the matrix system to facilitate the department's needs as they mandate now. He did not know how this could be applied to HB 2, it wouldn't be the same. This would put the clamps on the department to the point where, through their discretion, could not transfer temporary full-time employee's budgets where they need it.

REP. TUNBY didn't think **Mr. Rothwell** meant that no one would be laid off because of the DOT bill forever and ever. **Mr. Langdorf** said that **Mr. Rothwell's** testimony reflects the fact that at this point in time, no full-time employee would be laid off due to this reorganization. **Mr. Langdorf** said the director's testimony also reflected that now that the master review study is coming to a conclusion, they are getting an idea of what they have. If the service will not drop below the level of fulltime positions that are currently in place, it looks like **Mr. Rothwell** is looking for an increase in blue collar staffing. **Mr. Langdorf** said if that

is true, and the amendments are ok on SB 164, a reduction of a number of fulltime employee positions would not have any reflection on the number of personnel needed to carry out the responsibilities of the division. **Mr. Langdorf** said if that is the case, then there would be no argument to the amendment.

Closing by Sponsor:

SEN. HARP thanked the committee for a good hearing. He wanted to address a couple of issues: 1) he is a union contractor and the place for this negotiation is in a bargaining agreement and not in this bill. He said this is not in its proper form. It was offered in the Senate Highway's committee and quickly rejected; and 2) since this bill left the Senate, and the addition of the Motor Carrier's Division, he felt the amendment is appropriate and hoped the committee would accept them. **SEN. HARP** said the issue of the McCarty Farm case will stay alive and will be taken care of under the DOT.

HEARING ON SB 191

Presentation and Opening Statement by Sponsor:

SEN. TOM BECK, Senate District 24, said this bill deals with the revising of motor vehicle registering and titling laws. There are a number of issues in the bill that will expedite the process of registering motor vehicles. This is also a cleanup bill. There is a number of special interest license plates, e.g., Pearl Harbor plates, veteran, handicapped and many others. This bill deals with a generic plate that an emblem can be placed on that will designate the same thing. This should save the motor vehicle division from having to purchase the dyes for the different plates.

Proponents' Testimony:

Bud Schoen, Department of Justice, Motor Vehicle Division (MVD), distributed his testimony. **EXHIBIT 5** He said the proposed definition of a motor home is the standard definition as used by the Recreation Vehicle Industry Association and adopted by the American Association of Motor Vehicle Administrators. The current definition is so broad that conversion vans with no accommodations are being registered as motor homes to take advantage of the flat fee, which in many cases is much less than the 2% property tax. He addressed section 11, regarding the weed fees are not paid when current plates are being transferred to a replacement vehicle. He said this section was not amended in the 1989 Legislature to show that change.

Peter Funk, Assistant, Attorney General's Office (AG), addressed two issues: 1) as the bill was drafted the AG's office proposed to eliminate the current system of certification to the possession of automobile insurance at the local treasurers office when purchasing the registration. This is an existing

HOUSE OF REPRESENTATIVES

HIGHWAYS AND TRANSPORTATION COMMITTEE

ROLL CALL DATE 3-18-91

NAME	PRESENT	ABSENT	EXCUSED
REP. FLOYD "BOB" GERVAIS, V.-CHAIR			
REP. ERNEST BERGSAGEL	✓		
REP. ROBERT CLARK	✓		
REP. JANE DEBRUYCKER	✓		
REP. ALVIN ELLIS, JR.	✓		
REP. GARY FELAND	✓		
REP. MIKE FOSTER	✓		
REP. PATRICK GALVIN	✓		
REP. DICK KNOX	✓		
REP. DON LARSON	✓		
REP. SCOTT MCCULLOCH	✓		
REP. JIM MADISON	✓		
REP. LINDA NELSON	✓		
REP. DON STEPPLER	✓		
REP. HOWARD TOOLE	✓		
REP. ROLPH TUNBY	✓		
REP. BARRY "SPOOK" STANG, CHAIRMAN	✓		

EXHIBIT 1
DATE 3-18-91
HB SB 164

Amendments to Senate Bill No. 164
Third Reading Copy

For the House Highways and Transportation Committee

1. Page 4, line 16.
Following: "TRANSIT."
Insert: "and (5) motor carrier services."

2. Page 8, line 11.
Following: "transportation."
Insert: "under motor carrier services division."

3. Page 8, line 16,
Following: "part."
Insert: "NEW SECTION. Section 10. Division of GVW - Montana Department of Highways transferred. Unless inconsistent with (sections 1 through 14), all functions now performed by the gross vehicle weight division under Title 61, Chapters 3, 4, 10, and 12 are transferred to the department of transportation, motor carrier services division."
Renumber: subsequent sections.

EXHIBIT 2
DATE 3-18-91
HB SB 164

March 18, 1991
SB 164, before House Highways and Transportation Committee
Ben Havdahl, Montana Motor Carriers

Mr. Chairman and members of the Committee. For the record I am Ben Havdahl, representing the Montana Motor Carriers Association.

MMCA is supportive of SB 164 establishing a DOT in Montana. We support the amendment presented by the bill's sponsor, Senator Harp and respectfully urge the committee to adopt it.

The establishment of a division in the new Department of Transportation encompassing the operations of motor transportation in Montana is a vital addition to the SB 164 from the standpoint of MMCA. In our view its important to do so by the Legislature in the statute notwithstanding that the bill allows for as many divisions as are necessary to be established by the director.

The amendment by the Senate Highway Committee to establish a statutory division of the DOT to deal with "rail and transit" matters, in our view, left the motor carriers in an unequal position within the new DOT. The matters affecting motor carriers would have continued to have been handled by the Gross Vehicle Weight Division of the newly established division of highways under the bill, one level removed by the "rail and transit division".

The amendment corrects this situation. In addition, there was much discussion during the public hearings on the formation of a DOT about moving the motor carrier safety assistance program (MCSAP) into the newly formed DOT. Also consideration was suggested by MMCA to the possibility of moving the Motor Vehicle Division Driver Services that relate to the commercial drivers license program to the DOT to complete the "one stop shopping" service for truckers.

With the establishment of a motor transport services division, future decisions by the Legislature to transfer these and other possible motor transportation functions to the DOT, can be more readily accommodated within an established "motor transport services division." Thank you.

WIFE Women Involved in Farm Economics

EXHIBIT 3
DATE 3-18-91
HB SB 164

SENATE BILL 164..... March 18th 1991

My name is Mary Nielsen, and I speak on behalf of WIFE. For about 14 years, I have worked on transportation issues as they affect agricultural producers and the rural areas in the capacity of both State and National Transportation Chairmanfor WIFE. I feel that that experience, coupled with the effort that I made in 1990 (-and continue to work on to this date) to preserve rail service on a long branch line in N.E. MT. and driving 500 miles just to speak before this committee, qualifies me to speak to this bill!

WIFE's testimony before the Senate Committee said:
We support the concept of a Department of Transportation ONLY if:
1/All transportation modes must have equal status. That is- Aeronautics; Rails and Transit, and Commercial Trucking. Those three departments are the primary elements of a 'one-stop' DOT.
2/If the formation of a DOT can be proven to be economically viable- and this appears to be difficult to actually prove in any reorganizational effort- probably only time will tell!
And 3/ Since we are Women Involved in Farm Economics, we are very aware of the detrimental effects of droughts and present farm policies on the State's economy, so we feel that very serious consideration MUST be given to the real costs of relocation.

The original Feasibility study notes that it cost $200,000 to move the Public Service Commission into the DOH building. Surely, the costs of moving them out and moving in all the assorted offices with their computers and file etc. will be a great deal more expensive! And while I am unaware of any plan for the relocation of the PSC, it seems to be a Herculean effort to spend a great deal of money to save relatively little, even if it is a 'one-time' expense. Which, no doubt was said when the PSC moved into that building!

From the beginning of this proposal, we have urged restraint. For the commendable idea of'one-stop shopping', a temporary central Department of Transportation office could direct all enquiries to the appropriate department. while leaving those agencies in their present position until the details of moving can be worked out as funds and space are available.

Finally, we feel that the formation of a coordinated DOT is long overdue One of the best moves that was made in that direction occurred in 1981, when WIFe, MGGA and others worked hard to get all agricultural transportation issues coordinated into the Transportation Division within the DOC. Various personnel were moved from the Department of Agriculture and other agencies, and have sincedeveloped substantial expertise in all transport-

tion issues dealing with freight and public transportation special needs. Their work on the McCarty Farms Suit; Central Montana Railroad; multi-modal transportation; branch line situations; the monitoring of car shortages, and their opposition to the BNRR Certificates of Transportation program because of those shortages, has all been much praised by transportation officials in other states.

EXHIBIT 5
DATE
HB

Having represented WIFE at several USDA Office ofTransportation sponsored Transportation forums, at each of them, I have heard those complimentary remarks made about their ability and work. I would also add that the State was ably represented by the DOH at the Highway Forum.

To summarize, we are really concerned that each mode be given equal priority under the DOT heading. As farm Women, we have learned to be conservative in our planning, and we urge caution in the development of the DOT. There is no rush to make these extensive and expensive moves. The formation of DOT is not reliant on relocation. The efficiency of the present offices is paramount. All can be under a DOT heading without hurried relocation at a time when our State is suffering financial hardship.

And on behalf of WIFE, and as an individual, I thank all of the agencies involved, and this committee for their educated understanding of agricultural transportation issues and their importance to this State!

EXHIBIT 3
DATE 3-18-91
HB SB 164

EXHIBIT 4
DATE 3-18-91
HB SB 164

Amendments to Senate Bill No. 164
Third ~~Reading Copy~~

Requested by Representative Galvin
For the Committee on Highways and Transportation

Prepared by Paul Verdon
February 6, 1991

DOT bill

1. Title, line 12.
Following: "TRANSPORTATION;"
Insert: "TO PRESERVE JOBS OF HIGHWAY MAINTENANCE PERSONNEL;"

2. Page 12, line 24.
Following: line 23
Insert: "NEW SECTION. **Section 15. Continuation of employment of highway maintenance personnel.** Except as otherwise provided by law, [sections 1 through 14] may not cause or authorize:

(1) a reduction in the number of full-time employee positions of a department of highways' maintenance section below the number on December 31, 1990;

(2) closure of a department of highways' maintenance operating section or maintenance section house that was in existence on January 1, 1991; or

(3) contracting for a service that can be performed by:

(a) a person who was a full-time employee of a department of highways' maintenance section on December 31, 1990; or

(b) using equipment owned by the department of highways on June 30, 1991."
Renumber: subsequent sections

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Hiways COMMITTEE BILL NO. SB164

DATE 3-18-91 SPONSOR(S) Sen. Harp

PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
W. Olson Billings	W.I.F.E	X	
Everett M Scottland	MT DOA	X	
O.J. Nielsen P-wood	FARMING	X	
Mark Lankford	AFSCME	~~X~~	X
James Tutwiler	MT Chamber Com	✓	
Chuck Brooke	Commerce Dept.	X	
Ken Dunham	MT Contractors' Assoc	X	
Lorna Frank	Mt. Farm Bureau	X	
Bob Stephens	Mt. Dept Highways	X	
Larry Fabiano	AAA Montana	X	
Ben Howard	MMCA	X	
Steve Turkiewicz	Mt. Hiway Users Federation	X	
R.C. Stein	BN	X	
D. Rehbein	Dir DOA	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

there are 13 lines out there now, and they will be automating the rest of the counties at $150 per unit per month. Maintaining a system that takes data programmers to do, every change that is made, i.e., Legislature, is a support system with a statewide computer system. The Motor Vehicle system with its present data, is the largest system in the state of Montana. People need to be maintaining this system. Maintenance costs that are paid to companies that keep the equipment fixed, e.g., if a computer or printer breaks down. There is always an ongoing process of operating a very massive system.

CHAIRMAN STANG spoke to **REP. FOSTER'S** concern. He said if the committee sunsets this, and the next Legislature decides that the $1 fee isn't needed, they will have wasted $2 million on a computer system that would be worthless. At this time, the commitment needs to be made to do this or not to do it. It isn't logical to go out and buy a computer system that costs $1½ million and come back in 2 years and decide not to fund it anymore. He said this committee has to make the decision if they want to start that system. The fee increase is a tough decision to make, but if the decision is to go with the system, it is an ongoing process and the fee is needed.

Motion/Vote: **REP. FOSTER** moved to adopt amendment to sunset the $1 fee in 2 years. Roll call vote was taken. **EXHIBIT 1-A.** Motion **FAILED** 6 to 10.

Motion/Vote: **REP. BERGSAGEL** called the question. Voice vote was taken.

Vote: **HB 579 DO PASS AS AMENDED.** Motion **CARRIED** 13 to 3 with **REP. FOSTER, REP. BERGSAGEL** and **REP. FELAND** voting no.

EXECUTIVE ACTION ON SB 164

Motion: **REP. ELLIS MOVED SB 164 BE CONCURRED IN.**

Discussion: This bill creates the Department of Transportation (DOT).

CHAIRMAN STANG proposed an amendment that will include transportation and motor carrier services.

REP. TUNBY moved to adopt amendment #1. Voice vote was taken. Motion **CARRIED** unanimously. **EXHIBIT 2**

REP. MADISON moved to adopt amendment #2. **EXHIBIT 3 REP. MADISON** spoke to his motion. This amendment removes the Motor Fuels Tax Division from the Department of Highways. Motor fuels tax is a tax collecting agency. Tax collection agencies belong in the Department of Revenue.

REP. TUNBY asked if someone could speak to this request. **Jack Ellery, Department of Revenue**, said the main purpose of this

consolidation of functions is not necessarily the collecting of taxes, but to provide additional services to truckers, etc., a one stop service.

Bill Salisbury, Department of Highways, said the department collects over $25 million in GVW taxes. Those same people also have motor fuel taxes. He said there would be a one stop auditing. The department collects $120 million from the federal government, they have internal controls, and are audited every biennium. This is not a duplication of services, they are used to doing this type of work.

REP. BERGSAGEL called the question. Voice vote was taken. Motion on amendment #2 **FAILED** 2 to 14 with **REP. MADISON** and **REP. MCCULLOCH** voting yes.

Motion/Vote: **REP. CLARK** called the question. Voice vote was taken.

Vote: **SB 164 BE CONCURRED IN AS AMENDED.** Motion **CARRIED** unanimously.

EXECUTIVE ACTION ON SB 178

Motion: **REP. MCCULLOCH MOVED SB 178 BE CONCURRED IN.**

Discussion: This bill changes the vehicle length limit law to the recommendation made by the Western Association of State Highway Transportation Officials (WASHTO).

Motion/Vote: **REP. MCCULLOCH** moved to adopt amendments. **EXHIBIT 4**

CHAIRMAN STANG explained the amendments. They strike the reference to the turn-pike doubles. He said it appeared to be the problem everyone had during the testimony. They did not like the double 45' length. In talking to the industry, he found out the good points of the bill; it places the Rocky Mountain doubles in conformity with the other western states; and cleans up language for the log trucking industry; and cleaned up some of the trailer laws in the state. The amendments allow the Department of Highways to continue the studies to find out which interchanges can handle the double 45'lengths. It will allow the committee to have the information needed if the bill comes back in the next Legislature.

SEN. WILLIAMS said the passage of this bill will mandate the Highway Department to do this study and to report the finding of their study to the next Legislature.

CHAIRMAN STANG said there will not be an additional cost to this, because it is something they are doing now. The study will be a continuation of what is done now, and it does not give them the authority to come back to Legislature to ask for money to do the

HOUSE OF REPRESENTATIVES

HIGHWAYS AND TRANSPORTATION COMMITTEE

ROLL CALL **DATE** 3-20-91

NAME	PRESENT	ABSENT	EXCUSED
REP. FLOYD "BOB" GERVAIS, V.-CHAIR	✓		
REP. ERNEST BERGSAGEL	✓		
REP. ROBERT CLARK	✓		
REP. JANE DEBRUYCKER	✓		
REP. ALVIN ELLIS, JR.	✓		
REP. GARY FELAND	✓		
REP. MIKE FOSTER	✓		
REP. PATRICK GALVIN	✓		
REP. DICK KNOX	✓		
REP. DON LARSON	✓		
REP. SCOTT MCCULLOCH	✓		
REP. JIM MADISON	✓		
REP. LINDA NELSON	✓		
REP. DON STEPPLER	✓		
REP. HOWARD TOOLE			✓
REP. ROLPH TUNBY	✓		
REP. BARRY "SPOOK" STANG, CHAIRMAN	✓		

HOUSE STANDING COMMITTEE REPORT

March 21, 1991

Mr. Speaker: We, the committee on Highways and Transportation report that Senate Bill 164 (third reading copy -- blue) be concurred in as amended .

Signed: _____
Barry Stang, Chairman

Carried by: Rep. Stang

And, that such amendments read:

1. Page 4, line 15.
Strike: "and"

2. Page 4, line 16.
Following: "TRANSIT"
Insert: "; and"

3. Page 4, line 17.
Following: line 16
Insert: "(5) motor carrier services"

AMENDMENT #1.

EXHIBIT 2
DATE 3-20-91
HB SB 164

Amendments to Senate Bill No. 164
Third Reading Copy

Requested by Representative Stang
For the Committee on Highways

Prepared by Greg Petesch
March 19, 1991

1. Page 4, line 15.
Strike: "and"

2. Page 4, line 16.
Following: "TRANSIT"
Insert: "; and"

3. Page 4, line 17.
Following: line 16
Insert: "(5) motor carrier services"

AMENDMENT # 2.

EXHIBIT 3
DATE 3-20-91
HB SB 164

Amendments to Senate Bill No. 164
Third Reading Copy

Requested by Representative Madison
For the Committee on Highways

Prepared by Greg Petesch
March 19, 1991

1. Title, line 8.
Strike: "AND THE DEPARTMENT OF REVENUE"

2. Title, line 13.
Following: "2-15-2501,"
Insert: "AND"
Following: "2-15-2502,"
Strike: "15-1-701, AND 60-3-201,"

3. Page 3, line 25.
Strike: "14"
Insert: "10"

4. Page 6, line 20.
Strike: "14"
Insert: "10"

5. Page 8, line 7 through page 12, line 5.
Strike: sections 8 through 11 in their entirety
Renumber: subsequent sections

6. Page 12, lines 8 and 9.
Following: "highways" on line 8
Strike: ","
Insert: "or"
Following: "commerce"
Strike: remainder of line 8 through "revenue" on line 9

7. Page 12, line 10.
Strike: "14"
Insert: "10"

8. Page 12, line 11.
Strike: "14"
Insert: "10"

9. Page 12, line 17.
Strike: "departments"
Insert: "department"
Following: "commerce"
Strike: remainder of line 17 in its entirety

10. Page 12, line 18.
Strike: "14"
Insert: "10"

(OVER)

11. Page 12, line 20.
Strike: "14"
Insert: "10"

12. Page 12, line 23.
Strike: "14"
Insert: "10"

13. Page 13, lines 4 and 5.
Strike: subsection (2) in its entirety
Renumber: subsequent subsection

14. Page 13, lines 21 through 24.
Strike: subsection (2) in its entirety
Renumber: subsequent subsection